



## CITY OF STOCKTON

### HUMAN RESOURCES DEPARTMENT

STEWART/EBERHARDT BUILDING 22 E. Weber Avenue, Suite 150 Stockton, CA 95202-2317  
209/937-8233 209/937-8258 FAX [www.stocktongov.com](http://www.stocktongov.com)

October 2015

### CREDITABLE COVERAGE DISCLOSURE NOTICE REQUIRED BY THE CENTERS OF MEDICARE & MEDICAID SERVICES

Please read this notice carefully and keep it where you can easily find it. This notice has information about your current prescription drug coverage with the City of Stockton and prescription drug coverage available to Medicare participants. It also tells you where to find more information to help you make decisions about your prescription drug coverage. Generally, you are eligible for Medicare if you have attained age 65 or have been receiving social security disability benefits for a period of two or more years.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The City of Stockton has determined that the prescription drug coverage offered under the City of Stockton Medical Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (penalty) if you later decide to join a Medicare Drug Plan.

### **When can you join a Medicare Drug Plan?**

You can join a Medicare Drug Plan when you first become eligible for Medicare and each year from October 15 to December 7. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare Drug Plan.



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## **What happens to your current Coverage if you decide to join a Medicare Drug Plan?**

If you decide to join a Medicare Drug Plan, and maintain your current City of Stockton coverage, the City will coordinate with Part D coverage. If you do decide to join a Medicare Drug Plan and drop your current City of Stockton coverage, be aware that you and your dependents will not be able to reinstate coverage under the City of Stockton Medical Plan at a later date if you are a retired employee.

## **When will you pay a higher premium (penalty) to join a Medicare Drug Plan?**

If you drop or lose your current coverage with the City of Stockton and don't join a Medicare Drug Plan within 63 continuous days after your current coverage ends, you may pay a higher premium (penalty) to join a Medicare Drug Plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

## **For more information about this notice or your current prescription drug coverage...**

...contact the person listed at the end of this notice for further information. Note: You will receive this notice each year before the next period you can join a Medicare Drug Plan, or if this coverage through the City of Stockton changes. You also may request a copy of this notice at any time.

## **For more information about your options under Medicare Prescription Drug coverage ...**

...reference the "Medicare & You" handbook. Medicare will send you a copy of the handbook in the mail when you first become eligible for Medicare and every year thereafter. You may also be contacted directly by Medicare Drug Plans.



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For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this help, visit Social Security at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call at 1-800-772-1213. TTY users call 1-800-325-0778.

Remember: Keep this Creditable Coverage Notice. If you decide to join one of the Medicare Drug Plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and therefore, whether or not you are required to pay a higher premium (penalty).

Date:	October 15, 2015
Name of Entity:	City of Stockton
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